

# Funding the AWV & Seawall Replacement Project

Special Committee on AWV & Seawall Replacement Project  
June 21, 2010

# Overview

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- Local Improvement District - Study Results
- AWWSR Program Funding Needs
- Funding Options
- Schedule Considerations

# **Local Improvement District – Study Results**

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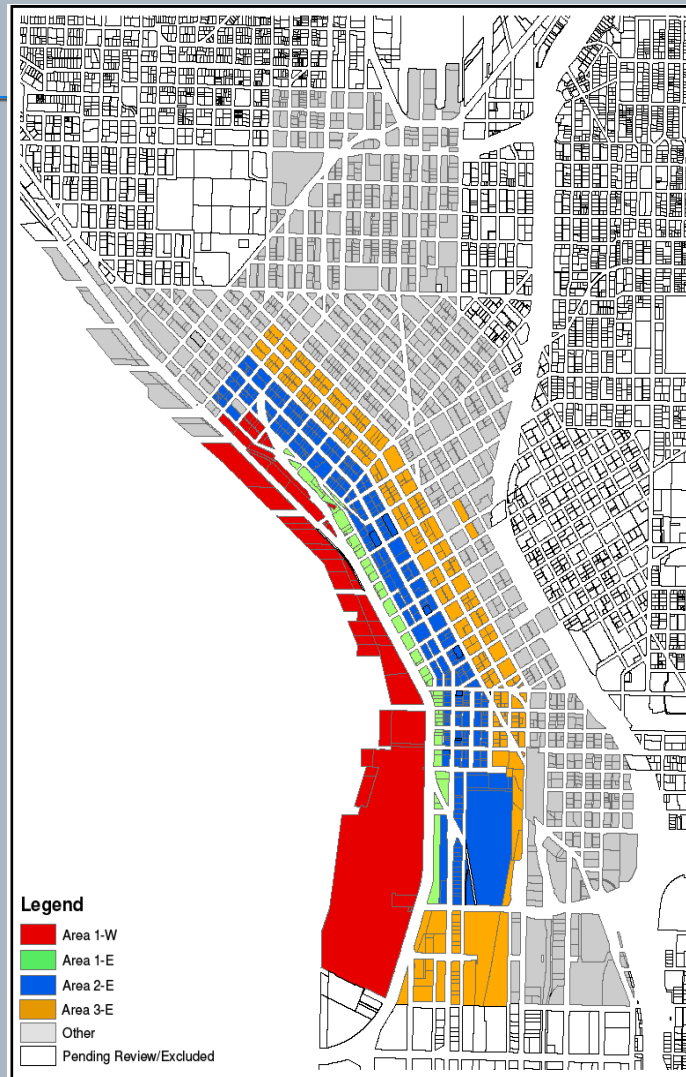
## **Purpose and Background**

- a) Council's Statement of Legislative Intent (SLI)
- b) Evaluate special benefits to establish range of potential LID funding
- c) Establish expected amount within estimated range

## **Study Scope**

- a) Identify area with special benefits
- b) Identify effects of individual projects
- c) Feasibility analysis only

# Local Improvement District – Study Results



Central Waterfront Project

# Local Improvement District – Study Results

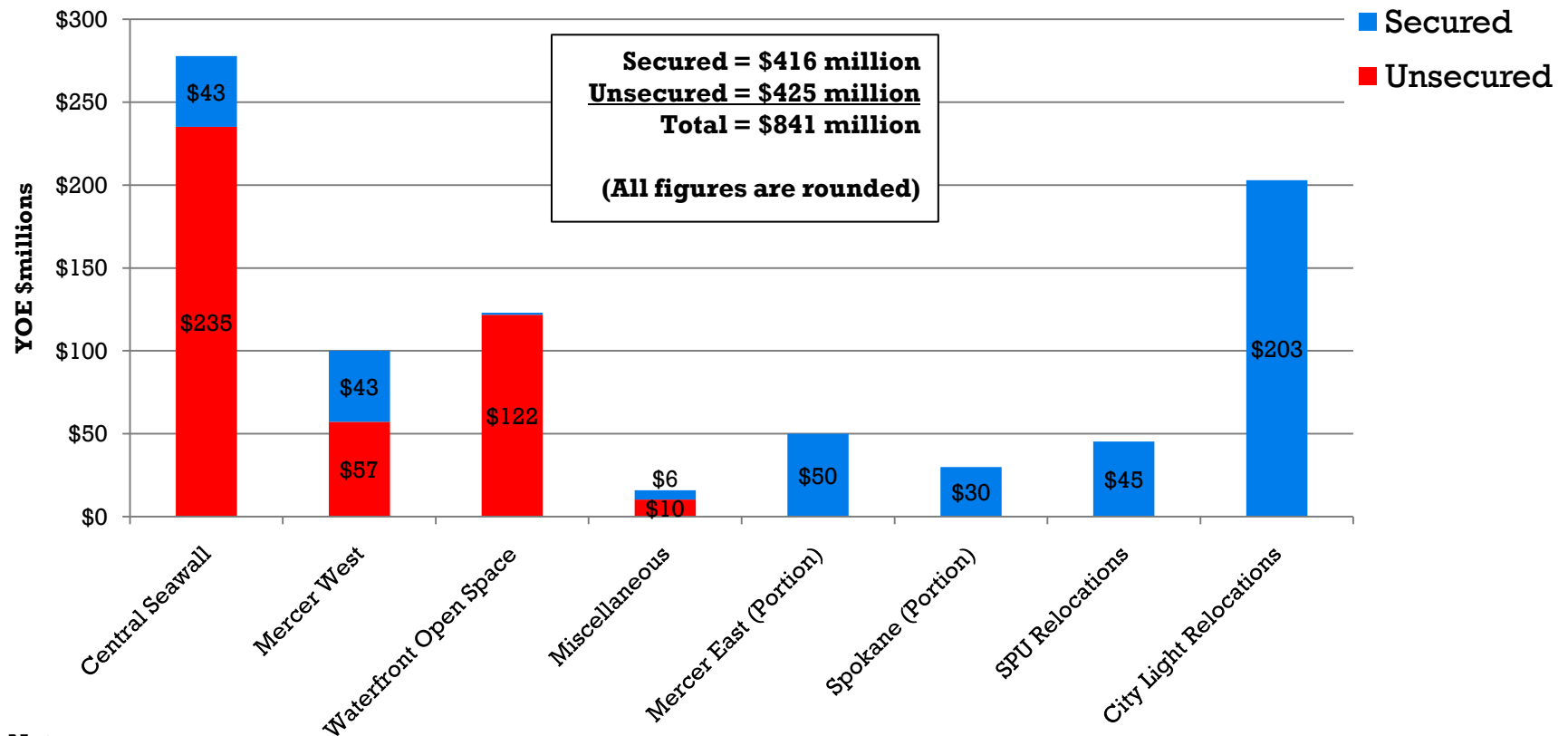
“Probable Range” of Property Owner Special Benefits

Project	Low	High
Central Waterfront	\$450M	\$600M
Elliott Bay Seawall	\$12M	\$15M
Mercer West	\$13M	\$25M
<b>TOTAL</b>	<b>\$475M</b>	<b>\$640M</b>

## Conclusions:

- LID in range of \$200M to \$225M.
- Sufficient to pay for Waterfront Open Space base costs (\$123M) and pay for some portion of additional Waterfront Open Space capital improvements.

## City-Responsible AWW Projects Funding Status by Project



### Notes:

1. Does not include "Potential 1st Ave Streetcar."
2. Secured funding includes \$30M from King County Flood District for the Central Seawall.
3. Secured funding includes Seattle Public Utilities (\$45M) and Seattle City Light (\$204M) from ratepayers.
4. Secured funding includes \$290M from WSDOT for surface street reconstruction.
5. Waterfront Open Space unsecured funding needs includes only "base costs" but not costs for full programming.

# AWV Program Funding

	A	B	C
	Total Cost	Funding Identified	Funding Needed
Waterfront Open Space Base Costs*	\$ 123	\$ 1	\$ 122
Central Seawall	\$ 274	\$ 39	\$ 235
S. Spokane St. Viaduct	\$ 30	\$ 30	\$ -
Mercer East	\$ 50	\$ 50	\$ -
Mercer West	\$ 100	\$ 43	\$ 57
Parking Program / Project Services	\$ 16	\$ 6	\$ 10
Utility Relocation Costs	\$ 248	\$ 248	\$ -
<b>Total</b>	<b>\$ 841</b>	<b>\$ 416</b>	<b>\$ 425</b>

All costs rounded to \$millions

\* Does not include costs of additional capital improvements.

# AWV Program Funding

Funding Needed for City-responsible AWVSR Projects (including Waterfront Open Space Base Costs):	\$425M
Waterfront Open Space Base Costs → LID funding	- \$122M
<b>Remaining AWVSR Funding Needs</b>	<b>\$302M</b>

- City will need to issue bonds to pay for projects
- Debt service is approximately \$21M per year
- Options for paying debt service include:
  1. Property tax (voter-approved)
  2. Vehicle License Fee (Council ≤\$20/vehicle; voter-approved >\$20)
  3. Commercial Parking Tax (Council-approved)
  4. General Subfund (implying cuts in funding for other city svcs)
- Need to balance against other capital needs



# Funding Options (Assuming LID)

	<b><u>Option 1:</u></b> <b>(Mayor's Proposal)</b>	<b><u>Option 2</u></b>	<b><u>Option 3</u></b>
Property Tax	<b>\$235 million</b> 30-year Bond \$50/household/year	<b>\$165 million</b> 9-year Levy \$75/household/year	None
Commercial Pkg Tax	<b>\$70 million</b> 2.5% increment	<b>\$140 million</b> 5% increment	<b>\$70 million</b> 2.5% increment
Veh. License Fee	None	None	<b>\$235 million</b> ~\$45/vehicle
<b>Total New Revenues</b>	<b>\$305 million</b>	<b>\$305 million</b>	<b>\$305 million</b>

**Voter Approval  
Needed**

**60%**  
**Property Tax**

**50%**  
**Property Tax**

**50%**  
**Veh. License Fee**

Options provide examples of packages that would fully fund City's AWW commitments. Funding elements can be scaled & combined in a variety of ways.

# Project schedule

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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## Elliott Bay Seawall:



○ Preferred Seawall Alternative(s) selected



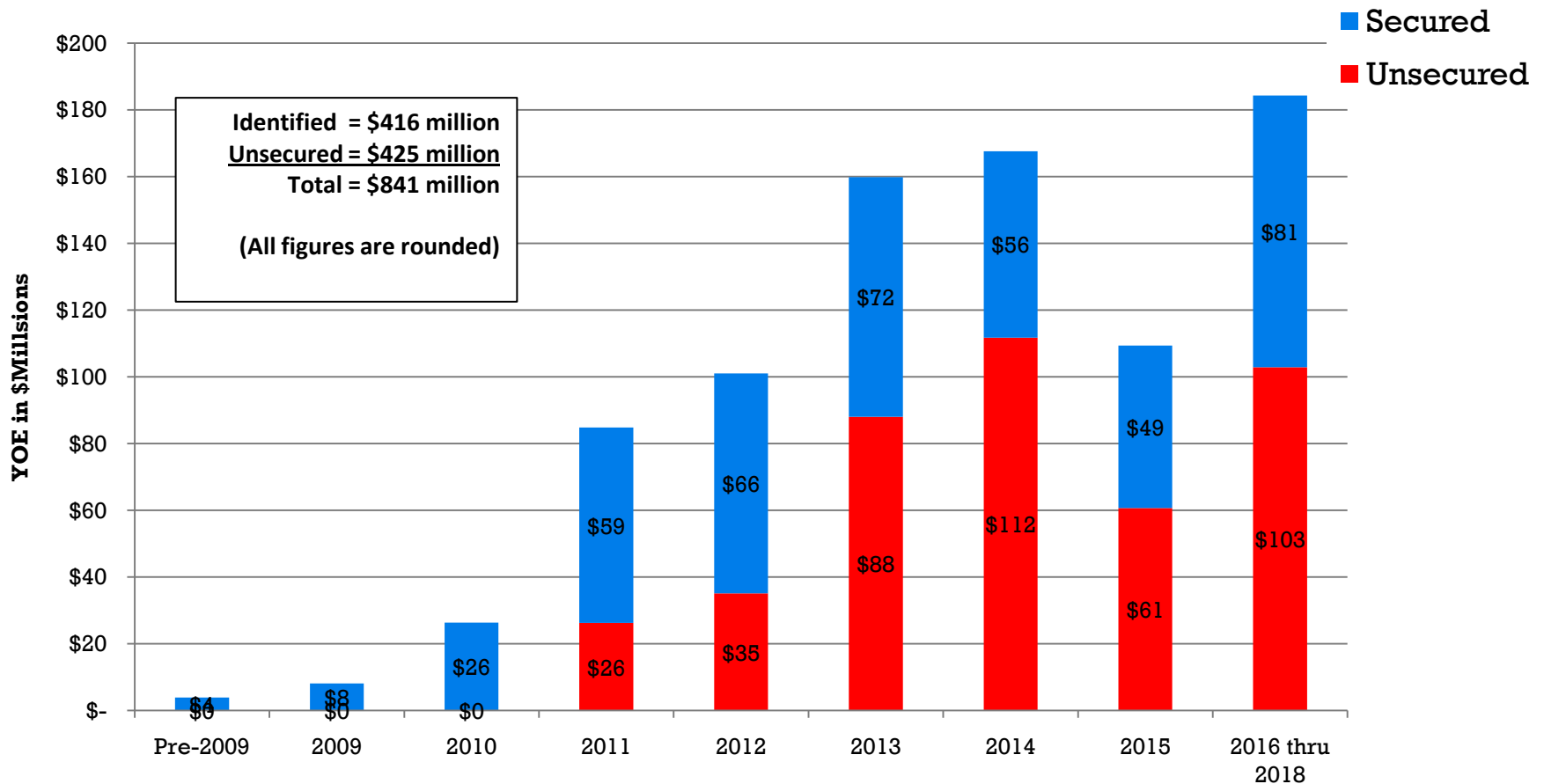
## Central Waterfront Public Space and Streets:



## Proposed Bored Tunnel:



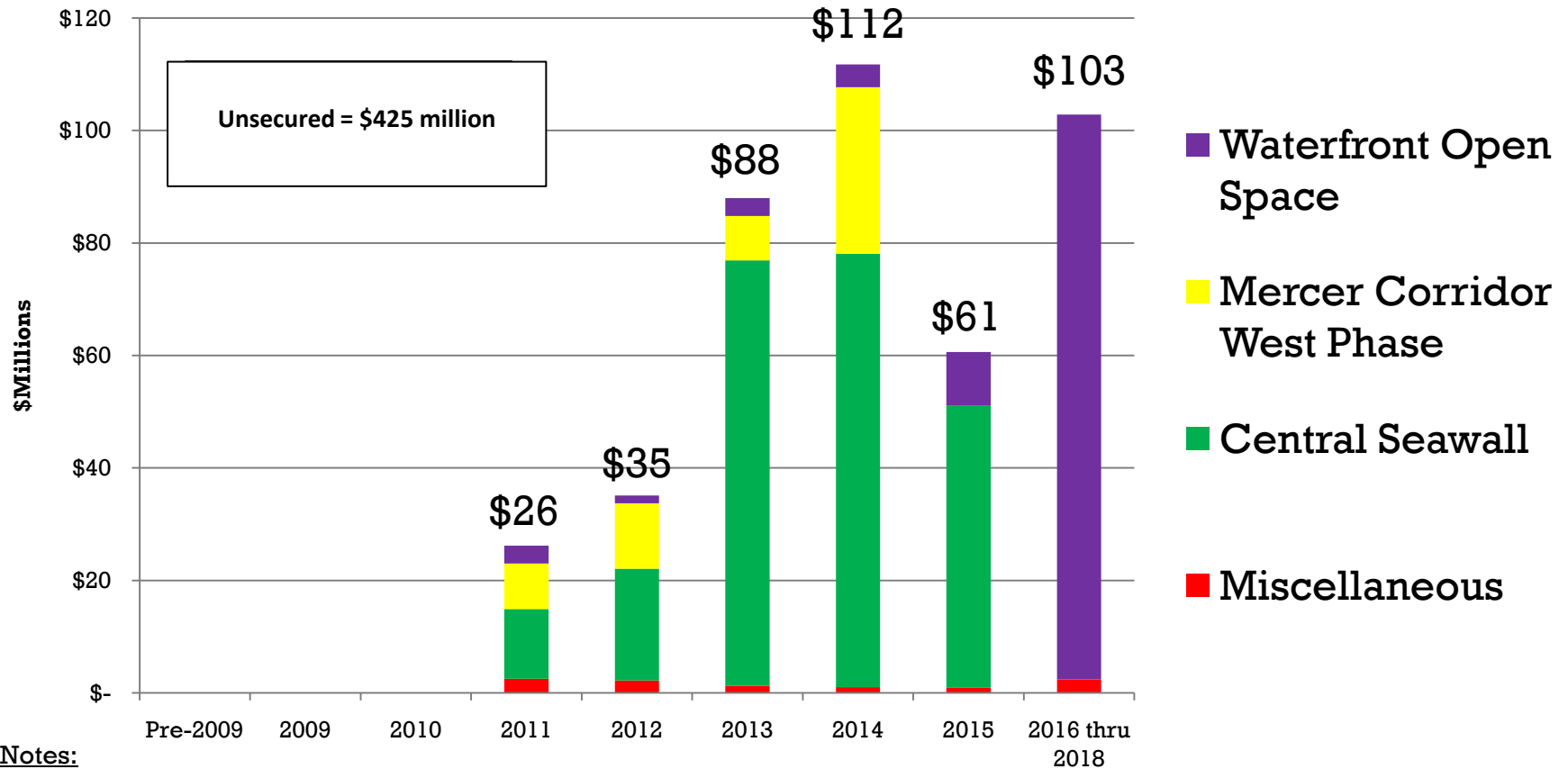
## City-Responsible AWW Projects Funding Status By Year



### Notes:

1. Does not include "Potential 1st Ave. Streetcar"
2. Secured vs. Unsecured and cash flow needs based on Executive's characterization
3. Seattle Public Utilities (\$45M) and Seattle City Light (\$204M) from ratepayers counted as secured funding.
4. Mercer East (\$50M) and Spokane (\$30M) are both secured funding; cash flow split 50% in 2010 and 50% in 2011.

## City-Responsible AWW Projects Unsecured Funding Needs By Year, By Project



**Notes:**

1. Does not include "Potential 1st Ave Streetcar."
2. Secured funding includes \$30M from King County Flood District for the Central Seawall.
3. Secured funding includes Seattle Public Utilities (\$45M) and Seattle City Light (\$204M) from ratepayers.
4. Secured funding includes \$290M from WSDOT for surface street reconstruction.
5. Waterfront Open Space unsecured funding needs includes only "base costs" not additional costs for full programming.

# Council Decisions

Central Staff Recommendations	Timing
<p><b><u>Funding for Seawall Project:</u></b></p> <p>\$235M (bond) ballot measure for Seawall or: \$165M (levy) ballot measure for Seawall</p>	2010 or 2011
<p><b><u>Funding for Other AWW-Related Projects:</u></b></p> <p>Up to \$70M in bonds <i>New revenue source(s) for \$5M in annual debt service:</i></p> <ul style="list-style-type: none"> <li>• Commercial Parking Tax at 2.5%</li> <li>• Vehicle Licensing Fee at ~\$15/vehicle</li> <li>• General Subfund cuts</li> </ul>	2010
<p><b><u>Funding for Waterfront Open Space Project:</u></b></p> <p>\$200M to \$225M LID formation</p>	2015

# Conclusions & Recommendations

## **New AWVSR funding source(s) needed.**

- \$70M from a new funding source for non-Seawall AWVSR projects (assuming a \$122M+ LID and a \$235M voter-approved measure).
- Maintaining current AWVSR schedule requires either additional funding or significant reprogramming of GSF.

## **Total 2011 and 2012 funding gap is \$61M.**

- \$32M of this gap is Seawall-related.
- \$29M of this gap is related to other City AWV funding responsibilities.

## **Strategy for seeking voter-approval needed soon.**

- Property tax bond, property tax levy, and/or vehicle license fee.
- Timing – 2010 or 2011 (If 2010, Council action by early August.)

## **Other Capital Needs – July 6<sup>th</sup>**

# Pocket Slides

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